

EXHIBIT 24

Gagne, Roderick

From: Gagne, Roderick
Sent: Monday, March 04, 2002 7:08 AM
To: Yao (E-mail)
Subject: Private investor funding

Andrew,

I was in the process of preparing this e-mail when you called. Bob to my dismay is flying back today from Florida and I will not know how much he can deliver until late this afternoon after the wire transfer deadline. I am drafting after this e-mail my wire transfer instructions to the various lenders to move \$1,500,000 to SFC. I do not know if it will hit today but definitely tomorrow morning.

A few things I want to address with you in this e-mail. Since time is of the essence, Bob and I will be advancing without documents again. To that end, I am relying on your word which is as good to me as any written document.

I do want to clarify one point on the term sheet. I am concerned about our collateral coverage, since as you state on the voice mail SFC has \$35,000,000 in unfunded loans. These Loans will be subject to bankruptcy risk unless we have a lien against them which can not really happen unless they are delivered to us or a custodian. We did use Gary in the past, but that was really before you had an established custodian (WTC was less than stellar) and some recent bankruptcy cases that have put a question into the practice. Also, we did not have SWH to contend with which will put SFC into bankruptcy if SFC defaults on there loan. As a result, I would feel a whole lot better if the loans were moved to Wells, which you will have to do in any event on the take out. I point out to you that we are really at risk until the next round of funding since these loans have not been funded yet. None of the loans that SFC holds are seasoned that are not in default from what I understand in my conference calls with SWH where SFC is trying to get collateral to increase the advances from SWH. Consequently, the collateral may not be any good and thus I need to get these held at Wells Fargo to make sure when SWH funds that these loans will be good loans and Bob and the Trusts have a perfected security interest in the collateral. Also, as you know, you probably will have to give on the personal guaranty which will make us less secured since we will not pursue the personal guaranty like SWH will. Finally, I am already seeing the cash flow crunch since the trusts were not paid the monthly interest on the subordinated debt nor was Pam. For that matter, CEC has not paid in two months. Between SFC and CEC after this funding we will have \$13,000,000 tied up in these two entities (about \$6 million in SFC and \$7 million in CEC) and the cash flow crunch will hurt with the increased borrowing.

I do not want you take the e-mail the wrong way, which is why I would have preferred discussing it with you. Our advancement of the funds is proof of our continued faith and support. I just need something to support the loans so that I am not personally making good on the full \$13 million to my family which I could never repay since my portion would personally wipe me out. As you eloquently said, SFC will be either worth hundreds of millions or nothing in the next 12 months. I am betting on the latter.

Rod

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